1984 ANNUAL REPORT

The Saskatchewan Government Printing Company

ANNUAL REPORT

of

The Saskatchewan Government Printing Company

of the

PROVINCE OF SASKATCHEWAN

for the

Year ending December 31, 1984

Regina, Saskatchewan
March, 1985

To His Honour,
The Honourable Frederick W. Johnson,
Lieutenant Governor of the Province of Saskatchewan.

Sir:

I have the honour to submit herewith the annual report of The Saskatchewan Government Printing Company for the year ending December 31, 1984 including the financial statements therefor, duly certified by the Provincial Auditor and in the form approved by the Treasury Board, all in accordance with The Crown Corporations Act, 1978.

I have the honour to be, Sir,

Your obedient servant,

GEORGE McLEOD

Chairman and Minister responsible for
The Saskatchewan Government Printing Company

THE SASKATCHEWAN GOVERNMENT PRINTING COMPANY

1984

BOARD OF DIRECTORS

HONOURABLE G. McLEOD	–	Chairman
MR. OTTO CUTTS, Acting General Manager	–	Director
MR. P. LANG, Comptroller		

GENERAL MANAGER'S REMARKS

This is the thirty-ninth annual report of The Saskatchewan Government Printing Company and covers the period for the year ending December 31, 1984.

The Saskatchewan Government Printing Company was established under The Crown Corporations Act of 1945 to operate a general job printing and book binding business. During the past year 2,724 jobs were produced resulting in approximately 1,915,000 dollars in business printing volume.

Sales volume fluctuated from a high of $201,000 in the month of November to a low of $112,000 in the month of September.

Continual improvements and cost-cutting measures were implemented during the year to cope with a nineteen percent decrease in sales volume from 1983. Our work mix resulted in a fifteen percent decrease in revenue per job produced.

Despite this reduction in work-load, net earnings before interest expense of 42,000 dollars were recorded for the year.

Otto Cutts

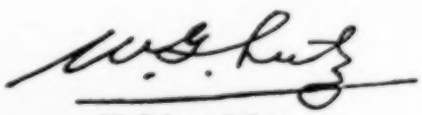
Otto Cutts, Acting General Manager
The Saskatchewan Government Printing Company

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of financial position of The Saskatchewan Government Printing Company as at December 31, 1984 and the statements of operations and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
March 1, 1985.

W. G. Lutz, F.C.A.,
Provincial Auditor.

THE SASKATCHEWAN GOVERNMENT PRINTING COMPANY

STATEMENT OF FINANCIAL POSITION

As at December 31

	1984	1983
Assets		
Current Assets:		
Cash	$ 360,256	$ 279,318
Accounts receivable	440,294	515,909
Inventory (Note 3)	276,959	319,793
	1,077,509	1,115,020
Property, plant and equipment (Note 4)	1,201,595	1,327,373
	$ 2,279,104	$ 2,442,393
Liabilities and Province's Equity		
Current Liabilities:		
Accounts payable	$ 163,744	$ 193,635
Deposits (Note 8)	4,164	4,626
Note payable (Note 6)	2,176,000	—
	2,343,908	198,261
Long-term debt — Crown Investments Corporation of Saskatchewan (Note 6)	—	50,000
	2,343,908	248,261
Province of Saskatchewan's Equity:		
Advances from Crown Investments Corporation of Saskatchewan (Note 6)	—	2,126,263
Retained Earnings (Deficit)	(64,804)	67,869
	2,279,104	2,442,393

(See accompanying notes)

THE SASKATCHEWAN GOVERNMENT PRINTING COMPANY

STATEMENT OF OPERATIONS AND RETAINED EARNINGS

Year Ended December 31

	1984	1983
Revenue:		
Sale of printing services	$ 1,928,035	$ 2,364,476
Interest	40,426	29,615
	1,968,461	2,394,091
Expenses:		
Operating costs, other than those listed below	1,276,025	1,603,317
General and administration	522,406	572,529
Depreciation	128,027	128,979
Interest	174,676	27,254
	2,101,134	2,332,079
Net Profit (loss)	(132,673)	62,012
Retained earnings beginning of year	67,869	5,857
Retained earnings (deficit), end of year	$ (64,804)	$ 67,869

(See accompanying notes)

THE SASKATCHEWAN GOVERNMENT PRINTING COMPANY

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31

	1984	1983
Source of funds:		
Operations		
Net profit	$ (132,673)	$ 62,012
Items not requiring (providing) funds		
– depreciation	128,027	128,979
– gain on disposal of equipment	(5,766)	(416)
	(10,412)	190,575
Proceeds from disposal of equipment	5,962	416
	(4,450)	190,991
Use of funds:		
Repayment of long-term debt and advances	2,176,263	150,000
Purchase of property, plant and equipment	2,445	8,059
	2,178,708	158,059
Increase (decrease) in working capital	(2,183,158)	32,932
Working capital, beginning of year	916,759	883,827
Working capital, end of year	$ (1,266,399)	$ 916,759

(See accompanying notes)

THE SASKATCHEWAN GOVERNMENT PRINTING COMPANY

NOTES TO FINANCIAL STATEMENTS

December 31, 1984

1. (a) These financial statements are prepared in accordance with generally accepted accounting principles. Significant accounting policies are as follows:

(i) Property, plant and equipment

Fixed assets are initially recorded at cost. Normal maintenance and repair expenditures are expensed as incurred.

Depreciation is provided on the basis and at the rates set out below. It is expected that these procedures will charge operations with the total cost of the assets over the useful life of the assets. Gains or losses on disposal of individual assets are recognized in income in the year of disposal.

Assets	*Depreciation Basis*	*Rate*
Building	straight-line	2½%
Equipment	straight-line	10%
Photocomposition equipment	straight-line	20%
Office, furniture, fixtures	straight-line	5%
Computer equipment	straight-line	20%

(ii) Inventory

Inventory includes printing supplies and work-in-progress. Supplies are valued at the lower of cost and replacement cost. Work-in-progress is valued at the lower of cost and realizable value. This includes an assignment of direct and indirect costs. The valuation of work-in-progress limits the assigned value to a maximum of the recoverable sales. Income is recognized at the completion of the work order.

2. *Status of Corporation*

The Saskatchewan Government Printing Company was established by Order-in-Council 859/45 and continued under the provisions of The Crown Corporations Act, 1978.

3. *Inventory*

	1984	*1983*
Paper supplies inventory	$ 160,313	$ 195,377
Other supplies inventory	66,468	46,289
Work-in-progress material	5,610	13,000
Work-in-progress labour and overhead costs	44,568	65,127
	$ 276,959	$ 319,793

4. *Property, Plant and Equipment*

	1984			1983
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 121,875	$ —	$ 121,875	$ 121,875
Building	905,601	193,682	711,919	734,558
Equipment	1,080,782	774,052	306,730	376,610
Photocomposition equipment	157,596	107,979	49,617	76,434
Office furniture and fixtures	14,781	5,569	9,212	9,951
Computer equipment	29,627	27,385	2,242	7,945
	$ 2,310,262	$ 1,108,667	$ 1,201,595	$ 1,327,373

5. *Remuneration of Directors and Senior Officers*

The two senior officers of The Saskatchewan Government Printing Company received remuneration for the 1984 year in the amount of $55,723 (1983 — $89,084). The Company's two directors received no remuneration during 1984.

6. *Note Payable*

During 1984, the Company became responsible to the Treasury Board and became subject to such policy and regulations as may be specified by the Treasury Board.

All outstanding advances and demand loans from Crown Investments Corporation of Saskatchewan were repaid during 1984.

The Company presently has outstanding a loan from the Department of Finance, renewable quarterly and bearing interest at current rates. At December 31, 1984, the interest rate on this note payable maturing March 29, 1985 was 9.92%.

7. *Related Party Transactions*

Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown controlled departments, agencies and corporations with which the corporation is related.

Account balances resulting from these transactions are included in the Statement of Financial Position and are settled on normal trade terms.

Other amounts due to related parties and the terms of settlement are described separately in the financial statements and notes thereto.

8. *Deposits*

Certain customers have prepaid the cost of the materials to be used for specific orders. The deposits represent the difference between the cash received from the customers and the materials used to date for those specific orders.